Textile Export Quotas

1529. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that one of the major proposals of the WTO, envisaging a substantial increase in the developing countries textiles export quotas retrospectively from 1st January, has been stalled by the USA;

(b) if so, the reasons therefor; and

(c) how it affects the Indian textile exports?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL): (a) to (c) At the Doha Ministerial Conference of the World Trade organisation (WTO) held in November, 2001, certain decisions were taken in respect of full and faitnful implementation of Agreement on Textiles and Clothing (ATC). These are contained in Paragraphs 4.1 to 4.3 of the Decision on Implementation Related Issues and Concerns. In addition, the Doha Ministeral Conference, in paragraphs 4.4 and 4.5 of the Decision on Implementation Related Issues and Concerns requested the WTO Council for Trade in Goods (CTG) to examine two implernentation proposals. One of them required tne application of the most favourable methodology for "growth-on-growth" provisions while calculating the quota levels for small suppliers. The other implementation proposal, which was relevant for all restrained countries including india, required advancing the application of the higher "growth-on-growth" factor of 27%, which was otherwise due on 1 January 2002 to be applied from 1 January 2000.

The Council for Trade in Goods was to examine these proposals and to make recommendations to the General Council by July 31, 2002 for appropriate action.

While the examination of the two proposals was undertaken earlier this year, no recommendation could be forwarded to the General Council due to the stand taken by the restraining members including the US.

During the formal and informal discussions, India alongwith other members of the International Textiles and Clothing Bureau (ITCB) had made a strong case for acceptance of these two proposals. The ITCB

members had also submitted a written paper giving their concrete arguments and urging members to accept the proposals. In addition, the ITCB members had demonstrated how the balance of rights and obligations under the ATC had been titled to the detriment of developing country exporting members. It was noted that the two textile implementation Issues were part of the overall ;package negotiated by Ministers at Doha and that the CTG should come out with recommendations to the General Council for appropriate action. Paragraphs 4.4 and 4.5 of the Doha Decision indicated that Ministers expected recommendations to be made.

At the 31 July 2002 General Council meeting, US stated that it had not agreed to two proposals at Doha and that its position remained unchanged.

India and other developing countries have countinued to raise this issue in the various fora-including the Mini-Ministerial meeting held at Sydney on 14-15 November, 2002.

Acceptance by WTO Member Countries of the Implementation proposal on "growth-on-growth" could have led to the availability of somewhat larger market access for our exports in the US and other restraining countries.

Scrapping Export Promotion Capital Goods incentive Scheme

1530. SHRI RUMANDLA RAAMACHANDRAYYA: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government is considering for scrapping of Export Promotion Capital goods Incentive scheme;

(b) if so, the reasons therefor; and

(c) the reaction of mill owners to such measures?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL): (a) No, Sir.

(b) and (c) Question does not arise.